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E.O. 12958: DECL: 08/29/2017

TAGS: [KNNP](#) [XB](#) [XF](#) [PREL](#) [PARM](#) [KN](#) [IR](#)

SUBJECT: NORTH KOREAN USE OF ARAB BANK NETWORK

REF: A. STATE 72416

[1](#)B. STATE 61222

Classified By: ACTING ISN PDAS GEORGE LOOK FOR REASONS 1.4 (B) AND (D)

[1](#)1. (U) This is an action request. Please see paragraph 3.

SUMMARY/BACKGROUND

[1](#)2. (S) Washington is increasingly concerned about efforts by North Korea's Foreign Trade Bank to assist Tanchon Commercial Bank to move funds from both Syria and Iran (REF A & B). Tanchon Commercial Bank is the primary financial agent behind the DPRK's weapons programs and was designated by the USG under E.O. 13382 as an entity that provides financial support to the DPRK's pursuit of weapons of mass destruction.

These transactions have occurred through Arab Bank PLC, one of the oldest and most respected banks in the Middle East. Arab Bank is headquartered in Amman, Jordan and is the largest Arab banking network in the world with 400 branch locations. Arab Bank also owns a 64.2 percent majority stake in Arab Tunisian Bank. We urge Jordan to maintain vigilance with regard to Syrian, Iranian, and North Korean financial transactions in its jurisdiction to prevent these countries from using deceptive financial practices to further their proliferation-related activities.

OBJECTIVES

[1](#)3. (S) Washington requests Post deliver the talking points and non-paper in paragraph 4 to appropriate host government officials in the foreign affairs and financial ministries.

-- (S) To alert host government officials to information we have about Syrian, Iranian, and North Korean financial activities that could be occurring in the Arab Bank network, which is headquartered in Amman, and urge appropriate authorities to investigate such transactions, especially correspondent relationships, and to take steps to freeze any accounts or transactions held or conducted in support of proliferation-related activities.

-- (S) To urge the Kingdom of Jordan to maintain increased vigilance over financial or commercial transactions with Syrian, Iranian, and North Korean entities and banks in its jurisdiction.

-- (S) To urge the Kingdom of Jordan to investigate these financial transactions, and to take appropriate action.

BACKGROUND/NONPAPER

[1](#)4. (S/REL JORDAN) Begin points:

-- (S/REL TO JORDAN) In light of our commitment to share as much information with your government as possible on Iranian and DPRK proliferation-related activities, we would like to raise serious concerns about Syrian, Iranian, and North Korean financial activities in the Arab Bank network.

-- (S/REL TO JORDAN) It has long been the policy of the United States to prevent the exploitation of the international financial system for the purpose of conducting illicit or proliferation-related financial transactions, and to urge our international partners to do the same.

-- (S/REL TO JORDAN) We are concerned that Iranian, Syrian, and DPRK-related entities may be assisting each other in engaging in deceptive practices that exploit and weaken the international financial system and undermine global financial standards and best practices.

-- (S/REL TO JORDAN) We are concerned that Iran, Syria, and DPRK proliferation entities are using the Arab Bank network to process what may be proliferation-related transactions.

-- (S/REL TO JORDAN) The United States has information that in 2007, North Korea's Foreign Trade Bank mission in Tripoli, Libya (FTB Libya) has expanded its role as a key node in North Korea's banking network and is helping Tanchon Commercial Bank, the banking arm of North Korea's primary weapons trading firm, KOMID, to move funds from both Syria and Iran.

SYRIA-DPRK

-- (S/REL TO JORDAN) In 2007, FTB Libya provided assistance to Tanchon in making remittances from funds from the sale of unspecified, probably proliferation-related goods in Syria. Our information indicates that Tanchon is establishing this new arrangement because Tanchon could no longer remit funds through a route it had previously used. FTB Libya arranged remittance routes for Tanchon from Syria and other locations via intermediary banks. We have information that Tanchon's financial transfers are conducted surreptitiously by using either aliases or front companies.

-- (S/REL TO JORDAN) By mid-February, FTB Libya arranged remittances of funds for Tanchon through several Arab Bank branches in the Middle East. Remittances going directly from Syria could be sent from Arab Bank-Syria in Damascus, a sister bank to Arab Tunisian Bank.

-- (S/REL TO JORDAN) The United States has information that FTB Libya arranged remittance routes for Tanchon from Syria and other locations via intermediary banks in Europe.

-- (S/REL TO JORDAN) These transfers, which were probably proliferation-related, occurred inside the Arab Bank network and involved both Arab Bank branches and Arab Tunisian Bank, of which Arab Bank is a 64.2 percent stakeholder.

-- (S/REL TO JORDAN) By processing these transactions, Arab Bank could be unwittingly assisting proliferation-related activities.

IRAN-DPRK

-- (S/REL TO JORDAN) We have information that FTB Libya was also planning to establish a route for Tanchon to use from Iran.

-- (S/REL TO JORDAN) These transactions could be subject to the restrictions in UN Security Council Resolutions 1737 and [1747](#).

-- (S/REL TO JORDAN) The U.S. urges countries to maintain increased vigilance over financial or commercial transactions with Syrian, Iranian, and North Korean entities and banks, which may be using deceptive financial practices such as those described above to circumvent targeted sanctions imposed pursuant to UNSC resolutions and continue their illicit or proliferation-related dealings.

-- (S/REL TO JORDAN) In the spirit of our continued non-proliferation cooperation and joint efforts to prevent Syrian, Iranian, and North Korean abuse of the international financial system, we urge your government to investigate these financial transactions, and to take appropriate action.

-- (S/REL TO JORDAN) We look forward to working with you on this and other related security and counter-proliferation matters, and are prepared to provide additional assistance as appropriate.

REPORTING DEADLINE

15. (U) Post should report results within seven (7) business days of receipt of this cable. Please slug replies for ISN, T, TREASURY, EAP and NEA. Please include SIPDIS in all replies.

POINT OF CONTACT

16. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

17. (U) Department thanks Post for its assistance.
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